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- (ii) Those situations in which an amount not yet restored to a household can be used to offset a claim owed by the household; and
- (iii) Those households with outstanding claims that are applying for benefits.
- (4) When requested and at intervals determined by us, your accounting system must also produce:
- (i) Accurate and supported outstanding balances and collections for established claims; and
- (ii) Summary reports of the funds collected, the amount submitted to FNS, the claims established and terminated, any delinquent claims processing charges, the uncollected balance and the delinquency of the unpaid debt.
- (5) On a quarterly basis, unless otherwise directed by us, your accounting system must reconcile summary balances reported to individual supporting records.
- (n) Treasury's Offset Programs (TOP)— (1) Referring debts to TOP. (i) As a State agency, you must refer to TOP all recipient claims that are delinquent for 180 or more days.
- (ii) You must certify that all of these claims to be referred to TOP are 180 days delinquent and legally enforceable.
- (iii) You must refer these claims in accordance with our and the Department of the Treasury's (Treasury) instructions.
- (iv) You must not refer claims to TOP that:
- (A) You become aware that the debtor is a member of a participating household that is having its allotment reduced to collect the claim; or
- (B) Fall into any other category designated by us as non-referable to TOP.
- (2) Notifying debtors of referral to TOP.
 (i) As a State agency, you must notify the debtor of the impending referral to TOP according to our instructions relating to:
- (A) What constitutes an adequate address to send the notice;
- (B) What specific language will be included in the TOP referral notice;
- (C) What will be the appropriate time frames and appeal rights; and
- (D) Any other information that we determine necessary to fulfill all due process and other legal requirements as

- well as to adequately inform the debtor of the impending action.
- (ii) You must also follow our instructions regarding procedures connected with responding to inquiries, subsequent reviews and hearings, and any other procedures determined by us as necessary in the debtor notification process.
- (3) Effect on debtors. (i) If you, as a debtor, have your claim referred to TOP, any eligible Federal payment that you are owed may be intercepted through TOP.
- (ii) You may also be responsible for paying any collection or processing fees charged by the Federal government to intercept your payment.
- (4) Procedures when a claim is in TOP. (i) As a State agency, you must follow FNS and Treasury procedures when the claim is in TOP.
- (ii) You must remove a claim from TOP if:
- (A) FNS or Treasury instruct you to remove the debt; or
 - (B) You discover that:
- (1) The debtor is a member of a food stamp household undergoing allotment reduction;
 - (2) The claim is paid up;
- (3) The claim is disposed of through a hearing, termination, compromise or any other means:
- (4) The claim was referred to TOP in error: or
- (5) You make an arrangement with the debtor to resume payments.
- (5) Receiving and reporting. As a State agency, you must follow our procedures on receiving and reporting TOP payments.
- (6) Security or confidentiality agreements. As a State agency, you must follow our procedures regarding any security or confidentiality agreements or processes necessary for TOP participation.

[Amdt. 389, 65 FR 41775, July 6, 2000; 65 FR 47587, Aug. 2, 2000, as amended at 75 FR 78153, Dec. 15, 2010]

§273.19 [Reserved]

Subpart G—Program Alternatives

§273.20 SSI cash-out.

(a) *Ineligibility*. No individual who receives supplemental security income

- (SSI) benefits and/or State supplementary payments as a resident of California is eligible to receive food stamp benefits. The Secretary of the Department of Health and Human Services has determined that the SSI payments in California have been specifically increased to include the value of the food stamp allotment.
- (b) Receipt of SSI benefits. In California, an individual must actually receive, not merely have applied for, SSI benefits to be determined ineligible for the food stamp program. If the State agency provides payments at least equal to the level of SSI benefits to individuals who have applied for but are awaiting an SSI eligibility determination, receipt of these substitute payments will terminate the individual's eligibility for food stamp benefits. Once SSI benefits are received, the individual will remain ineligible for food stamp benefits, even during months in which receipt of the SSI benefits is interrupted, or suspended, until the individual is terminated from the SSI program.
- (c) *Income and resources*. In California, the income and resources of the SSI recipient living in a household shall not be considered in determining eligibility or level of benefits of the household, as specified in §273.11(d).

[Amdt. 132, 43 FR 47889, Oct. 17, 1978, as amended by Amdt. 132, 44 FR 33383, June 8, 1979. Redesignated at 45 FR 7217, Jan. 31, 1980, as amended by Amdt. 237, 47 FR 57669, Dec. 28, 1982; Amdt. 269, 51 FR 10793, Mar. 28, 1986; Amdt. 356, 59 FR 29713, June 9, 1994; Amdt. 364, 61 FR 54320, Oct. 17, 1996]

§273.21 Monthly Reporting and Retrospective Budgeting (MRRB).

(a) System design. This section provides for an MRRB system for determining household eligibility and benefits. For included households, this system replaces the prospective budgeting system provided in the preceding sections of this part. The MRRB system provides for the use of retrospective information in calculating household benefits, normally based on information submitted by the household in monthly reports. The State agency shall establish an MRRB system as follows:

- (1) In establishing either a one-month or a two-month MRRB system, the State agency shall use the same system it uses in its TANF Program unless it has been granted a waiver by FNS. Differences between a one-month and a two-month system are described in paragraph (d) of this section.
- (2) The State agency shall determine eligibility, either prospectively or retrospectively, on the same basis that it uses for its TANF program, unless it has been granted a waiver by FNS.
- (3) Budgeting waivers. FNS may approve waivers of the budgeting requirements of this section to conform to budgeting procedures in the TANF program, except for households excluded from retrospective budgeting under paragraph (b) of this section.
- (b) Included and excluded households. The establishment of either a monthly reporting or retrospective budgeting system is a State agency option. Certain households are specifically excluded from both monthly reporting and retrospective budgeting. A household that is included in a monthly reporting system must be retrospectively budgeted. Households not required to submit monthly reports may have their benefits determined on either a prospective or retrospective basis at the State agency's option, unless specifically excluded from retrospective budgeting.
- (1) The following households are excluded from both monthly reporting and retrospective budgeting:
- (i) Migrant or seasonal farmworker households.
- (ii) Households in which all members are homeless individuals.
- (iii) Households with no earned income in which all adult members are elderly or disabled.
- (2) Households residing on an Indian reservation where there was no monthly reporting system in operation on March 25, 1994 are excluded from monthly reporting.
- (c) Information on MRRB. At the certification and recertification interview, the State agency shall provide the household with the following:
- (1) An oral explanation of the purpose of MRRB: